

Message Text

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ORIGIN NEA-10

INFO OCT-01 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 EB-08 DOE-11 H-01 INR-07 INT-05
L-03 NSAE-00 NSC-05 OMB-01 PM-05 USIA-06 OES-07
SP-02 SS-15 STR-05 TRSE-00 ACDA-12 /112 R

DRAFTED BY NEA/ARN:CMONROE:PDW
APPROVED BY NEA/ARN:MDRAPER
-----091357 070700Z /21

R 062210Z JAN 78
FM SECSTATE WASHDC
TO AMEMBASSY DAMASCUS

C O N F I D E N T I A L STATE 003893

FOR AMBASSADOR AND THEROS FROM NEA/ARN - MONROE

E.O. 11652: GDS

TAGS: ENRG, BEXP, SY, US

SUBJECT: SHELL AND SYRIA

REF: (A) DAMASCUS 0063, (B) STATE 293429

1. REFTEL B INDICATED THAT SHELL/SYRIA AGREEMENT WOULD BE SIGNED IN DAMASCUS. SHELL/HOUSTON CHOSE NOT TO MAKE PUBLIC ANNOUNCEMENT, LEAVING THAT TO SARG. LOU HOFFACKER HAS MADE FOLLOWING STATEMENT AVAILABLE TO NEA/ARN TO PASS ON TO EMBASSY DAMASCUS. BEGIN QUOTE OIL AND GAS EXPLORATION WILL BE UNDERTAKEN BY PECTIN SYRIA COMPANY, A SUBSIDIARY OF SHELL OIL, AND SYRIA SHELL PETROLEUM DEVELOPMENT B.V., A NETHERLANDS COMPANY OF THE ROYAL DUTCH SHELL GROUP. THE TWO COMPANIES ENTERED INTO AN EXPLORATION AND PRODUCTION AGREEMENT WITH THE GOVERNMENT OF THE SYRIAN ARAB REPUBLIC AND THE SYRIAN PETROLEUM COMPANY. THE CONTRACT WAS SIGNED
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ON DECEMBER 19, SUBJECT TO THE APPROVAL OF THE SYRIAN GOVERNMENT. THE CONTRACT AREA COVERS 21,800 SQ. KM NORTH OF PALMYRA. DURING THE EXPLORATION PHASE, PECTIN SYRIA WILL BE THE OPERATOR. END QUOTE. DURING WEEK OF JAN. 2, SHELL/HOUSTON RECEIVED NOTICE THAT THE SHELL/SYRIA CONTRACT HAD RECEIVED "PARLIAMENTARY" APPROVAL.

2. SHELL/HOUSTON DID NOT CHOOSE TO COMMENT ON THE TERMS OR THE DOLS 15 MILLION FIGURE MENTIONED IN SYRIAN ARTICLE. FYI ONLY: DRAPER HAD BEEN TOLD ON RECENT TRIP TO HOUSTON BY SEVERAL SHELL OFFICIALS, INCLUDING ACTUAL NEGOTIATOR, THAT SHELL HAD DECIDED TO SPEND AT LEAST DOLS 3 MILLION IN THE FIRST YEAR. DRAPER WAS ALSO TOLD THAT THE SHELL PEOPLE WERE VERY PLEASED WITH SYRIAN ATTITUDES. BECAUSE OF THIS, THEY ACCEPTED CONTRACT TERMS THAT WERE NOT AS GOOD AS THEY USUALLY DEMANDED, SINCE THEY WERE CONFIDENT THAT BETTER TERMS WOULD BE FORTHCOMING IN ANY PRODUCTION OR MARKETING ARRANGEMENT THAT MIGHT DEVELOP IF OIL WERE FOUND. END FYI.

3. SHELL WILL BE SENDING TEAM OF FIVE OR SIX, HEADED BY BILL EARTHMAN, OUT TO SYRIA AROUND JANUARY 23 TO WORK OUT ADMINISTRATIVE ARRANGEMENTS FOR THE ARRIVAL OF SHELL PERMANENT STAFF. HOFFACKER INDICATED THAT EARTHMAN WOULD PROBABLY STOP BY EMBASSY. ADDITIONALLY, HOFFACKER HIMSELF WILL BE ARRIVING IN DAMASCUS ON FEBRUARY 6 TO CHECK THINGS OUT, AND INDICATED DESIRE TO MEET WITH AMBASSADOR. HE WILL BE IN DAMASCUS UNTIL MORNING OF FEBRUARY 9. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
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Control Number: n/a
Copy: SINGLE
Draft Date: 06 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
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Disposition Date: 20 Mar 2014
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